GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:1641
ANSWERED ON:10.12.2004
COTTON PRICES
Acharia Shri Basudeb

Will the Minister of TEXTILES be pleased to state:

(a) whether the cotton prices in India are set to drop with rising domestic supply and soft global prices;

(b) if so, whether due to fall in domestic prices of cotton there will be an adverse impact on Indian economy; and

(c) if so, the details thereof?

Answer

MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA)

(a) Domestic cotton prices depend on a number of factors including previous balance, current supply, current as well as future demand for cotton in both domestic and international markets. It is a fact that domestic cotton prices are also influenced by the international price trends of cotton. At present, cotton prices in both domestic and international markets are ruling lower than the prices, which prevailed during the corresponding period last year.

(b) & (c) : No Sir. Government of India is taking effective measures to arrest the decreasing trend of cotton prices in the domestic market by expanding the Minimum Support Price operations by the Cotton Corporation of India (CCI). The CCI has been directed to procure cotton from the markets at the declared MSP prices without any quantitative limit.